

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 04 MANILA 005606

SIPDIS

HONG KONG FOR G/TIP AMBASSADOR MILLER
STATE FOR EAP/MTS, G/TIP, DRL/CRA, EAP/PD
DRL/PHD FOR ANN MARIE JACKSON

E.O. 12958: DECL: 12/01/2015

TAGS: [PREL](#) [EALD](#) [ELAB](#) [KCRM](#) [PHUM](#) [KPAO](#) [RP](#) [HK](#)

SUBJECT: SCENESETTER FOR G/TIP DIRECTOR AMBASSADOR JOHN
MILLER'S VISIT

REF: A. MANILA 5326

[B](#). MANILA 5166

[C](#). MANILA 5097

Classified By: political officer Tim Cipullo for
reasons 1.4(b) and (d).

[1](#). (SBU) Summary. Our strategic relations with the Philippines are important to both countries, and we generally work together constructively on global issues, including Trafficking in Persons (TIP). The GRP publicly condemns trafficking and has enacted strong laws to combat it. However, the ability of the GRP to arrest, try, and convict suspects of almost any crime is less than optimal. In addition, GRP efforts are hampered by poverty, corruption, unemployment and socio-economic factors that encourage migration, weak rule-of-law, and sex tourism. Mission is actively engaged in several programs aimed at increasing the capacity of Philippine police, prosecutors, and social workers involved with TIP cases, and to address some of the systemic weaknesses in the Philippine judicial system. You will see the major players during your visit: President Gloria Macapagal Arroyo, Justice Secretary Raul Gonzalez, Acting Secretary of the Department of Social Welfare and Development Luwalhati Pablo, International Justice Mission Director Patricia Sison Arroyo, and Visayan Forum Foundation President Cecile Oebanda. You should use your meetings to push for greater GRP efforts to convict traffickers under the 2003 Anti-TIP law. In the midst of ongoing political turbulence, we encourage you also to underscore the importance of rule of law and the constitutional framework for resolving political differences, as well as our firm opposition to emergency rule, which would undermine the fight against TIP, as well as against terrorism and damage ongoing defense reform and prospects for more robust economic development. End Summary.

DOMESTIC DISTRACTIONS

[1](#)2. (C) President Arroyo continues to fight for her political viability, as she struggles against allegations that she engaged in cheating to win the 2004 presidential election as well as other allegations that were at the basis of a failed impeachment effort earlier this year. These domestic woes are distracting her and senior officials from the GRP's substantive agenda, including TIP. The Congress and nation have embarked on a course of constitutional change, which potentially could transform the Philippines into a parliamentary system, with or without a President, within one to two years, and possibly create a federal state. Much legislative and political capital and attention will be focused on this process over the months ahead. The Communist insurgency, unsettled political situation, or the fight against terrorism could prompt an unwise declaration of a state of emergency. We believe emergency rule would prove disastrous to the GRP's progress on substantive issues of mutual concern -- including TIP -- as well as to investor confidence and to the Philippines' international image.

STRATEGIC CONTEXT

[1](#)3. (C) Despite never-ending domestic political dramas and tensions, the Philippines remains an important strategic partner, treaty ally, and a vibrant democracy, as GRP officials will welcome hearing from you. The US is virtually the Philippines' indisputable number one partner, no matter how much the GRP and President Arroyo herself claim to seek a balanced relationship among the US, PRC, and Japan. Our views and opinions matter considerably here, on TIP and other key issues domestically and regionally. Our security alliance remains robust and of importance to US troops and USG objectives, as well as to those of the GRP, in combating terrorism, enhancing regional stability, and fighting transnational crime, including TIP.

A REAL TERRORISM THREAT

[1](#)4. (C) The terrorism threat here is real. Porous borders,

weak institutions, fragile government, a long-running Muslim insurgency, and ever-present corruption make the Philippines highly vulnerable. Jemaah Islamiyah (JI) and Abu Sayyaf Group (ASG) terrorists continue to elude government forces in Mindanao, while the Communist Party of the Philippines/New People's Army (CPP/NPA) maintains a country-wide presence bent on destabilization. The Rajah Solaiman Movement (RSM) represents a significant worry because of its ties to foreign financing and the ability of its members -- Christian converts to Islam -- to "blend in." The Philippines has a recent history of terrorist attacks on its own territory. The February 28, 2004, bombing of Superferry 14, which killed over one hundred Filipinos, was the second worst terrorist attack in Asia after the October 2002 Bali bombings, while the February 14, 2005 "Valentine's Day" bombs in Manila and Mindanao killed and injured many shoppers and commuters.

15. (C) The GRP has, however, racked up some recent successes. On October 26, Philippine military and police arrested Ahmad Santos, the fugitive leader of RSM, and eight other suspected terrorists at a safe house in Zamboanga. On the same day, Philippine Air Force intelligence operatives seized Sattar Yusop, an ASG member under US indictment for his role in the Dos Palmas kidnappings. On October 28, a Philippine court convicted and sentenced to death three JI, RSM, and ASG terrorists for their roles in the 2005 "Valentine's Day" bombing in Manila (ref C).

ECONOMY NOT STRONG, BUT STEADY

16. (SBU) Our counterterrorism engagement in the Philippines ranges from humanitarian relief and development to the military and public diplomacy. USAID's Livelihood Enhancement and Peace (LEAP) program has reintegrated over 28,000 former Moro National Liberation Front (MNLF) combatants into productive society as successful farmers, and stands poised -- should the GRP sign a peace agreement with the Moro Islamic Liberation Front (MILF), as both sides increasingly appear to expect in the next year -- to provide similar assistance to the MILF. USAID's broad spectrum of development programs (in infrastructure, education, governance, health, economic growth, environment, and energy) in conflict-affected areas of Mindanao have made a positive impact in communities vulnerable to exploitation by terrorists, as well as contributed to greater judicial efficiency, electoral reform, promotion of rule of law, and more thorough attention to TIP efforts nationwide.

17. (U) Although the Philippine economy is growing by nearly 5% each year, it is constrained by massive debts to both domestic and foreign bond-holders. Combined liabilities of the government and state-owned enterprises equal 90% of GDP, and the debt-service payments on these loans consume two-thirds of the annual budget. The just implemented expansion of the Value Added Tax to include fuel and power will help the GRP further to reduce its fiscal deficit and increase spending on social services, such as health and education, and on the expansion and repair of roads and railway lines. There appears to be a grudging acceptance of the need for new taxes to restore fiscal imbalances.

18. (U) A stronger, more stable economy could boost foreign direct investment to the Philippines, which flows in at a paltry level compared to other countries in East and Southeast Asia. To boost development and prosperity, the USG encourages economic reform initiatives toward greater privatization, trade liberalization, and open markets, and we have worked closely with GRP officials on the Philippines' Millennium Challenge Corporation concept paper focusing heavily on anti-corruption and revenue enhancement efforts. US firms account for the largest stock of FDI in the country, and the US is still one of the country's largest trading partner, counting trade in goods and services. Corruption remains a significant impediment to investors, along with the high cost of electricity, poor infrastructure, bureaucratic delays, weak enforcement of intellectual property rights, and an unpredictable legal system.

TRAFFICKING IN PERSONS (TIP)

19. (U) The Philippines is an origin point for internationally trafficked persons and suffers from an internal TIP problem. Most victims are young women. The GRP is publicly steadfast against TIP, and in 2003 Congress passed Republic Act 9208, a comprehensive anti-trafficking law. The State Department designated the Philippines as a Tier 2 Watch List country in 2004 and re-designated it on the Tier 2 Watch List in 2005. Mission continues to underscore the seriousness of the TIP problem with GRP officials including the possibility of a downgrade to Tier 3 next year if stronger actions, notably convictions of the guilty and more prosecutions, are not taken. The Charge has discussed the issue with the President twice during the last month and she is looking forward to your visit.

10. (SBU) The GRP's ability to address the problem is limited by poverty, unemployment and socio-economic factors that encourage migration, a weak rule-of-law environment, and sex tourism. The GRP coordinates anti-TIP efforts through the Inter-Agency Council Against Trafficking (IACAT), which is chaired by the Secretary of Justice. GRP enforcement of its anti-trafficking law has increased as more law enforcement officers, prosecutors, and judges receive training, including some funded by USAID. Dozens of TIP cases under the 2003 law are pending, and courts handled down the first convictions under this law in November 2005, with more expected in the coming months.

11. (U) The Philippines' vibrant NGO community is mobilized against TIP. The US-based International Justice Mission focuses on rescuing victims and prosecuting traffickers. A unique feature of Philippine law allows NGOs to act as prosecutors. The Visayan Forum Foundation operates four shelters for TIP victims, and has received one grant from DRL in 2005 and one from USAID in 2003. Other NGOs acting against TIP include Development Action for Women Network, the Coalition Against Trafficking) Asia Pacific, and the Asia Foundation; both have also received USG grants.

12. (U) Mission is actively engaged in several programs aimed at increasing the capacity of Philippine police, prosecutors, and social workers involved with TIP cases. Trainers at USG-funded roadshows have educated officials throughout the country about the new anti-trafficking law and how to pursue trafficking cases more effectively. Many of the cases currently pending under R.A. 9208 were filed by recipients of such training. Recently, Mission sponsored a workshop on TIP for members of the Philippine National Police's (PNP) Women and Children's Concern Division (WCCD). Trainers highlighted the seriousness of TIP as a global issue, as well as application of key Philippine TIP legislation. Local media was extensive and largely favorable, despite a few skewed editorial comments linking TIP with an ongoing alleged rape case involving U.S. military personnel. The seminar represented a "quick win" for the PNP in current reform efforts, in which Mission is playing a crucial, ongoing role. At the same time, a broader USG/GRP initiative seeks to address key flaws in the Philippine justice system that hamper TIP-related prosecutions, particularly a lack of cooperation between police and prosecutors.

PRESS THEMES

13. (SBU) The Philippines is an exuberant media environment. In both your private and public remarks, we encourage you to highlight:

-- TIP: The USG takes the issue of trafficking extremely seriously. To this end, we are engaged on several fronts to increase the capacity of the GRP to fight trafficking. We want to support Philippine efforts to combat the serious trafficking problem that exists here. We know the Philippines can do better in this endeavor, and hope to see the guilty be brought to justice soon. Failure to make progress could lead to a downgrade to Tier III status in 2006;

-- Partnership: The Philippines is a valued partner in the Global War on Terror, as well as a Major Non-NATO Ally. We look forward to opportunities to advance our substantive bilateral agenda including counterterrorism, TIP, anti-corruption, and other issues of common concern;

-- Rule of Law: Rule of law is essential to the success of any modern society, whether in prosecution and conviction of TIP offenders, in bringing to justice terrorists, in creating an attractive investment climate, or in enhancing the rights and protecting the rights of citizens. Stable democratic governance is critical to strong relations with major partners, including the US, as well as to important reform efforts currently underway in key institutions such as the Armed Forces of the Philippines and the Philippine National Police.

IF ASKED

14. (SBU)

-- Alleged rape case: Six U.S. Marines are now under investigation by Philippine officials as well as by US military authorities for involvement in an alleged rape in Subic on November 1. They remain in U.S. custody under the terms of the Visiting Forces Agreement (VFA). Some members of the press have attempted to claim that our criticisms of the GRP's performance on TIP is hypocritical given the alleged involvement in a sex crime. Our consistent line is that the VFA provides the mechanism for U.S. and Philippine authorities to work together to determine the facts of the

case. We intend fully to comply with the terms of the VFA; we are committed to seeing justice done; and the accused should be presumed innocent until proven guilty. Just as in TIP cases, we want to see justice prevail, while protecting the legal rights of the accused.

-- Espionage case: The October 2005 arrest in the United States of an FBI employee of Filipino descent for espionage made front page news for weeks in the Philippines, focusing on his alleged ties with Opposition leaders Senator Panfilo Lacson and former president Joseph Estrada. Alleged Embassy reporting was quoted in the press, apparently designed to create discord between the government and the United States. This case has received considerable press attention and the press may ask you about it. Our consistent line is that the issue remains before the courts and we cannot comment on law enforcement matters.

Visit Embassy Manila's Classified website:
<http://www.state.sgov.gov/p/eap/manila/index.cfm>
Jones